

0002

Incoming CO-110002

**From:** "Davis, Mike" <MDavis@archcoal.com>  
**To:** "Grubaugh-Littig, Pam" <Pamgrubaughlittig@utah.gov>  
**Date:** 1/18/2007 7:39:09 AM  
**Subject:** Sufco M&RP Permit Renewal Application

Pam,

Attached is a scanned copy of the Sufco M&RP Permit Renewal Application for your review. The original copy is being mailed to the Division to start the renewal process for the Sufco M&RP.

If you have any questions please email or give me a call at (435) 286-4421.

Thanks,

Mike

\*\*\*\*\* Email Disclaimer \*\*\*\*\*

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**CC:** "May, Ken" <KMay@archcoal.com>, "Hansen, Chris" <CHansen@archcoal.com>, "Byars, John" <JByars@archcoal.com>, "Pete Hess" <petehess@utah.gov>



Canyon Fuel  
Company, LLC.  
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

Ken May, General Manager  
397 South 800 West  
Salina, UT 84654  
(435) 286-4400 - Office  
(435) 286-4499 - Fax

January 17, 2007

Utah Coal Program  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, UT 84114-5801

Re: Five-Year M&RP Permit Renewal, Canyon Fuel Company, LLC, SUFCO Mine,  
C/041/002

Dear Permit Supervisor:

Canyon Fuel Company, LLC, SUFCO Mine is submitting this request 120 days before the expiration of the SUFCO Mine permit on May 20, 2007 as required by Utah Coal Mining Rules 645-303-230 for the Utah Division of Oil, Gas and Mining to begin the five-year permit renewal process. Attached is the Division forms C-1 and C-2 and copies of the reclamation agreement with the proof of reclamation bond, a copy of the mine's liability insurance, and a copy of the proposed legal notice we plan to submit to the local newspapers upon the Division's approval.

Will be going through the process of updating the reclamation agreement and reclamation bond to the new approved permit area and calculated bond amount.

If you have any questions or need additional information, please contact Mike Davis at (435) 286-4421.

Sincerely,  
CANYON FUEL COMPANY, LLC  
SUFCO Mine



Kenneth E. May  
Mine Manager

KEM/MLD:kb

Encl.

cc: DOGM - Price Field Office  
DOGM Correspondence File

Sufpub\Govt2007\dogmmrp\Permit Renewal.ltr.doc

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☐ New Permit ☐ Renewal ☒ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCON MINE

Permit Number: C/041/002

Title: Sufco Mine M&RP Permit Renewal

Description, Include reason for application and timing required to implement:

Mining Permit Renewal is due May 20, 2007.

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: \_\_\_\_\_ ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☒ Yes ☐ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?

*Explain:* \_\_\_\_\_

- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

KENNETH E. MAY, MINE MANAGER  
Print Name

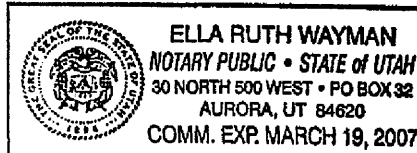
Kenneth E. May 4/19/07  
Sign Name, Position, Date

Subscribed and sworn to before me this 19<sup>th</sup> day of January, 2007

Ella Ruth Wayman  
Notary Public

My commission Expires: \_\_\_\_\_, 20\_\_\_\_

Attest: State of \_\_\_\_\_ } ss:  
County of \_\_\_\_\_



For Office Use Only:

Assigned Tracking  
Number:

Received by Oil, Gas & Mining

# APPLICATION FOR COAL PERMIT PROCESSING

## Detailed Schedule Of Changes to the Mining And Reclamation Plan

**Permittee:** CANYON FUEL COMPANY, LLC

**Mine:** SUFCO MINE

Permit Number: C/041/022

**Title:** Sufco Mine M&RP Permit Renewal

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

[illegible]

**Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.**

Received by Oil, Gas &amp; Mining

State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple  
Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5289

(Federal)

CONTENTS:

Reclamation Agreement

Exhibit "A"  
Bonded Area

Exhibit "B"  
Surety Bond Rider

Exhibit "C"  
Liability Insurance

Permit Number: ACT/041/002

Date Original Permit Issued: 19 May 1987

Effective Date of Agreement: \_\_\_\_\_

## RECLAMATION AGREEMENT

This **RECLAMATION AGREEMENT** (hereafter referred to as "Agreement") is entered into by Canyon Fuel Company, LLC (hereafter referred to as the "Permittee") and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (hereafter referred to as the "Division").

For the purposes of this **AGREEMENT** the information provided below, shall constitute forms of definition or are for information regarding the Permittee or its operations.

|                                 |   |
|---------------------------------|---|
| <b>"ACT":</b>                   | Title 40-10-1, et. seq., Utah Code Annotated (1953, as amended)   |
| <b>"BOND":</b>                  | A bond in compliance with Utah Administrative Rule 645-301-800, et. seq.  |
| <b>"BOND AMOUNT":</b>           | \$4,439,000.00  |
| <b>"BOND TYPE":</b>             | Surety  |
| Bonding Company:                | St. Paul Fire & Marine Insurance Co.  |
| Address:                        | Marsh Inc.<br>4700 Old Kingston Pike<br>P. O. Box 19810<br>Knoxville, TN 37919  |
| Telephone Number:               | 1-800-443-4086  |
| <b>"COMPANY OFFICERS":</b>      | Richard D. Pick, Chief Executive Officer  |
| <b>"COOPERATIVE AGREEMENT":</b> | That certain agreement codified at 40 C.F.R. 944.30.  |
| <b>"DISTURBED AREA:"</b>        | This term is as defined in Utah Administrative Code R645-100-200. The Permittee and the Division contemplate that the Disturbed Area will be as approved and shown in the Permit Application Package, but the Permittee's reclamation obligation and the bond related thereto are governed by applicable law. |
| <b>"LIABILITY INSURANCE":</b>   | Public liability insurance policy submitted as part of the permit application and attached as Exhibit "C".  |
| Insurance Company:              | St. Paul Fire & Marine Insurance Co.  |
| Address:                        | Marsh USA Inc.<br>800 Market Steet, Suite 2600<br>St. Louis, Missouri 63101-2500  |

|  |  |
|--|--|
| Telephone Number:  | (314) 342-2439   |
| Policy Number:   | GL01200289   |
| Expiration Date:   | 7/31/00  |
| "MINE":  | SUFCo Mine   |
| "OSM":<br>and .  | United States Department of the Interior,<br>Office of Surface Mining Reclamation<br>Enforcement.  |
| "PERMIT":  | Utah Mining and Reclamation Permit No.<br>ACT/041/002  |
| "PERMIT AREA":   | The area described in the Permit, which<br>includes the Mine.  |
| "PERMIT TRANSFER APPLICATION (PTA)":                                       | On November 19, 1996 the Permittee<br>filed an Application for Approval of the<br>transfer of Permit No. ACT/041/002,<br>which was approved, subject to<br>conditions, on December 20, 1996. |
| "PERMITTEE":<br>Principal Address  | Canyon Fuel Company, LLC<br>6955 Union Park Center, Suite 540<br>Midvale, Utah 84047   |
| Telephone Number:  | (801) 569-4799   |
| Utah Address:  | Canyon Fuel Company, LLC<br>6955 Union Park Center, Suite 540<br>Midvale, Utah 84047   |
| "PERMITTEE'S UTAH REGISTERED AGENT<br>FOR SERVICE OF PROCESS":<br>Address: | Canyon Fuel Company, LLC<br>6955 Union Park Center, Suite 540<br>Midvale, Utah 84047   |
| Telephone:   | (801) 569-4799   |
| "REGULATIONS":   | The regulations promulgated by<br>the Division and OSM pertaining to coal<br>mining and reclamation activities.  |
| "SMCRA":   | The Surface Mining Control and<br>Reclamation Act of 1977, 30 U.S.C.<br>§§ 1201, et. seq.  |
| "SURETY":  | Liberty Mutual Insurance Company   |

The following Exhibits are incorporated within and made a part of this Agreement.

**EXHIBITS:**

**"BONDED AREA"**  
**"BONDING AGREEMENT"**  
**"LIABILITY INSURANCE"**

**Exhibit "A"**  
**Exhibit "B"**  
**Exhibit "C"**

**WHEREAS**, on November 5, 1996 the Division issued a Permit No. ACT/041/002 to Canyon Fuel Company, LLC to engage in certain specified coal mining and reclamation operations (previously defined as the "Permit"); and

**WHEREAS**, on or about December 19, 1996 the Division approved the Permit Transfer Application (previously defined as the "PTA") submitted by "Permittee"; and

**WHEREAS**, prior to the transfer of the permit to conduct mining and reclamation operations on the property described in the Permit, the Permittee is obligated by the law, to file with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth by law; and

**WHEREAS**, the Permittee is ready and willing to file the Bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws under the Permit; and

**WHEREAS**, the Division is ready and willing to transfer the Permit to the Permittee upon acceptance and approval of the Bond.

**NOW, THEREFORE**, the Division and the Permittee agree as follows:

1. The provisions of SMCRA, the Act and the Regulations are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Regulations and Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of this Agreement, the Permit (which is based upon the approved Permit Application Package), the Act and the Regulations, including the reclamation of all areas disturbed by surface coal mining and reclamation operations, despite the eventuality that the costs of actual reclamation exceeds the Bond Amount.
3. The Permit Application Package includes a legal description of the Permit Area, including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the Permit period. For convenience, a copy of the description of the Permit Area is attached as Exhibit "A", and is incorporated by reference.
4. The Permittee agrees to provide a Bond to the Division and OSM in the form and amount acceptable to the Division ensuring the timely performance of the reclamation obligations in the manner and by the standards set forth in this Agreement, The Permit, (which is based upon the Permit Application Package), the Act and the regulations. The Bond is attached as Exhibit "B" and is incorporated by reference.
5. The Permittee agrees to maintain in full force and effect the Liability Insurance policy submitted as part of the Permit application and which is described in the attached



Exhibit "C". Division and OSM shall be listed as additional insured on this policy.

6. In the event that the Permit Area and/or the Disturbed Area is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the Bond as appropriate in accordance with applicable law.
7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division, and their respective employees and agents, from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or Permittee's agents or employees failure to abide by the terms and conditions of the approved Permit (which is based upon the approved Permit Application Package), and this Agreement. In the event the Cooperative Agreement is terminated, this paragraph will inure to the benefit of OSM with respect to Federal Lands, and otherwise to the benefit of the Division.
8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Disturbed Area in accordance with this Agreement, the approved Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may direct, or the Permittee may request and the Division may approve a written modification to this Agreement in accordance with applicable law.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the new Bond form meets the requirements of the Act, and the Regulations, but no Bond shall be released until the Division has approved and accepted the replacement Bond.
10. This Agreement shall be governed and construed in accordance with the laws of the State of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this Agreement.
11. Any breach of the provisions of this Agreement, the Act, the Regulations, or the Permit (which is based upon the approved permit Application package) may, at the discretion of the Division, result in enforcement actions by the Division which include, but are not limited to, an order to cease coal mining and reclamation operations, revocation of the Permittee's Permit and forfeiture of the Bond.
12. In the event of forfeiture of the Bond, the Permittee agrees to be liable for additional costs in excess of the Bond Amount which may be incurred by the Division in order to comply with the Permit (which is based upon the approved permit Application Package), the Act, and the Regulations. Any excess monies resulting from the forfeiture of the Bond, upon compliance with this Agreement, shall be refunded as directed by the Permittee or, if a dispute arises, as directed by a court of competent jurisdiction by interpleading the funds subject to the dispute.
13. No Delay on the part of the Division in exercising any right, power, or privilege, under the Permit, the Bonding Agreement (Exhibit "B") and/or this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege thereof preclude other or further exercise of any right, or further exercise of any right, power or privilege. The provisions of this Agreement are severable, and if any provision of this Agreement, or the application of any provision of this Agreement,

to any circumstance is held invalid, the application of provision to other circumstances, and the remainder of this Agreement, shall not be affected thereby.

14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached thereto.

SO AGREED this 9th day of May, 2009.

STATE OF UTAH:

Lowell Braxton

Lowell Braxton, Director  
Division of Oil, Gas and Mining

PERMITTEE:

By: Richard D. Pick  
Richard D. Pick  
Chief Executive Officer  
Canyon Fuel Company, LLC

Exhibit "A" - PERMIT AREA

Permit Number: ACT/041/002

Effective Date: April 10, 2001

**PERMIT AREA**

In accordance with the RECLAMATION AGREEMENT, the PERMITEE intends to conduct coal mining and reclamation activities on or within the PERMIT AREA as described hereunder: ~~(The bonded area equals the disturbed area)~~ *pg 57/101*

Total acres within the approved PERMIT AREA: 24,632.95

Total acres of proposed DISTURBED AREAS within Permit Area: 46.03

Legal Description of Permit Area:

Township 20 South, Range 5 East, SLBM

All or portions of Sections 35 and 36.

Township 21 South, Range 4 East, SLBM

All or portions of Sections 12, 13, 14, 23, 24, 25, and 36.

Township 21 South, Range 5 East, SLBM

All or portions of Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, and 35.

Township 21 South, Range 6 East, SLBM

All or portions of Sections 19 and 30.

Township 22 South, Range 4 East SLBM

All or portions of Sections 1, 12, and 18.

Township 22 South, Range 5 East SLBM

All or portions of Sections 3, 4, 5, 6, 7, 8, 9, 10, 17, and 18.

As described more precisely in the SUFCO Mine Mining and Reclamation Permit on file with the Division of Oil, Gas, and Mining.

This is the **PERMIT AREA** covered by the reclamation surety provided in Exhibit B.

**IN WITNESS WHEREOF** the **SURETY** has hereunto set its signature and seal this

10th day of April, 2001

St. Paul Fire and Marine Insurance Company  
**SURETY**

By: Tina Marie Foster

Title: Tina Marie Foster, Attorney-in-Fact

REPLACES LIBERTY MUTUAL INSURANCE COMPANY BOND NO.14-000-068-0001-UT

**Exhibit "B" - BONDING AGREEMENT  
SURETY BOND**Permit Number: ACT/041/002**SURETY BOND  
(FEDERAL COAL)  
--ooOOoo--**

**THIS SURETY BOND** entered into and by and between the undersigned **PERMITTEE**, and **SURETY COMPANY**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (**DIVISION**), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (**OSM**) in the penal sum of (\$ 4,439,000.00) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE's** reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the **DIVISION**.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** and **OSM** may sustain as a result of the **PERMITTEE's** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE** and to the **DIVISION** and **OSM** of any notice received or action alleging to insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY's** license.

Terms for release or adjustment of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

Exhibit "B" - BONDING AGREEMENT  
SURETY BOND

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal  
this 8 day of JUNE, ~~19~~ 2000

CANYON FUEL COMPANY, LLC

**PERMITTEE**

By: [Signature]

Title: President

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal this  
18TH day of MAY, ~~2000~~

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

**SURETY**

By: [Signature]

JANICE H. FENNELL

Title: ATTORNEY-IN-FACT

ACCEPTED BY THE STATE OF UTAH:

[Signature] 5/9/01

Director - Division of Oil, Gas and Mining

**NOTE:** An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVIT OF QUALIFICATION  
SURETY COMPANY**

--ooOOoo--

I, JANICE H. FENNELL, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of ST. PAUL FIRE AND MARINE INSURANCE COMPANY; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said **SURETY COMPANY** is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed) Janice H. Fennell  
Surety Company Officer - Position  
JANICE H. FENNELL, ATTORNEY-IN-FACT

Subscribed and sworn to before me this 18TH day of MAY, ~~19~~ 2000.

Heather H. King  
Notary Public  
HEATHER H. KING

My Commission Expires:

MAY 28, ~~19~~ 2003.

~~WITNESS~~ WITNESS:

Loretta Jones  
LORETTA JONES

STATE OF TENNESSEE )

COUNTY OF KNOX ) ss:

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 22276

Certificate No. 619073

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

Frank A. Word, Jr., Tina Marie Foster, Heather Howard King, Fred W. Smith, III, Harold W. Cunningham, Jr.,  
Debra Elaine Clark, Samuel Franklin Robinson and Donald Bruce Wake

Knoxville

Tennessee

of the City of \_\_\_\_\_ State \_\_\_\_\_, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 20th day of November, 2000

Seaboard Surety Company  
St. Paul Fire and Marine Insurance Company  
St. Paul Guardian Insurance Company  
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company  
Fidelity and Guaranty Insurance Company  
Fidelity and Guaranty Insurance Underwriters, Inc.



*John F. Phinney*  
JOHN F. PHINNEY, Vice President

*Thomas E. Huibregtse*  
THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland  
City of Baltimore

On this 20th day of November, 2000, before me, the undersigned officer, personally appeared John F. Phinney and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.  
My Commission expires the 13th day of July, 2002.



*Rebecca Easley-Onokala*  
REBECCA EASLEY-ONOKALA, Notary Public

AFFIDAVIT OF QUALIFICATION  
PERMITTEE  
--ooOOoo--

I, Susan Schultz, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Officer of Canyon Fuel Co. ; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

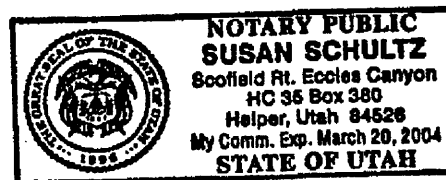
(Signed) [Signature] / President  
Name - Position

Subscribed and sworn to before me this 8 day of June, 2000, 19  .

[Signature]  
Notary Public

My Commission Expires:

3-20-04, 19  .



Attest:

STATE OF UT )  
COUNTY OF Carbon ) ss:



AFFIDAVIT OF QUALIFICATION  
DIRECTOR

--ooOOoo--

Lowell P. Braxton, being first duly sworn under oath, deposes and says that he is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed) Lowell P. Braxton  
Lowell P. Braxton, Director  
Division of Oil, Gas and Mining

Subscribed and sworn to before me this 9<sup>th</sup> day of May, 2001.

Victoria A. Bailey  
Notary Public

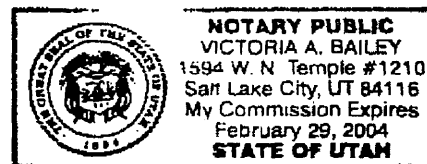
My Commission Expires:

February 29, 2004.

Attest:

STATE OF Utah )

COUNTY OF Salt Lake ) ss:



**CERTIFICATE NUMBER**  
**CHI-000333511-11**

Marsh USA Inc.  
800 Market Street, Suite 2600  
St. Louis, MO 63101-2500  
Attn: [slouis.certrequest@marsh.com](mailto:slouis.certrequest@marsh.com) 212-948-0811

### COMPANIES AFFORDING COVERAGE

**A ACE AMERICAN INSURANCE COMPANY**

**B**

**C**

**D**

Canyon Fuel Company, LLC  
c/o Arch Western Bituminous Group, L.L.C.  
225 N. 5th Street, Suite 900  
Grand Junction, CO 81501

## 116

| CO LTR | TYPE OF INSURANCE   | POLICY NUMBER  | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS  |  |
|--------|---|--|----------------------------------|-----------------------------------|---|--|
| A      | <b>GENERAL LIABILITY</b><br><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR<br>OWNER'S & CONTRACTOR'S PROT<br><input checked="" type="checkbox"/> Includes XCU | HDO G2 1732576<br>*****\$500,000 general aggregate<br>*****per location***** | 07/31/06                         | 07/31/07                          | GENERAL AGGREGATE \$ * 500,000<br>PRODUCTS - COM/PROP AGG \$ 500,000<br>PERSONAL & ADV INJURY \$ 300,000<br>EACH OCCURRENCE \$ 300,000<br>FIRE DAMAGE (Any one fire) \$ 50,000<br>MED EXP (Any one person) \$ 5,000 |  |
|        | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS                      |  |                                  |                                   | COMBINED SINGLE LIMIT \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE \$  |  |
|        | <b>GARAGE LIABILITY</b><br><input type="checkbox"/> ANY AUTO  |  |                                  |                                   | AUTO ONLY - EA ACCIDENT \$<br>OTHER THAN AUTO ONLY:<br>EACH ACCIDENT \$<br>AGGREGATE \$   |  |
|        | <b>EXCESS LIABILITY</b><br><input type="checkbox"/> UMBRELLA FORM<br><input type="checkbox"/> OTHER THAN UMBRELLA FORM  |  |                                  |                                   | EACH OCCURRENCE \$<br>AGGREGATE \$<br>\$  |  |
|        | <b>WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY</b><br>THE PROPRIETOR/<br>PARTNERS/EXECUTIVE<br>OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL   |  |                                  |                                   | WC STATU- TORY LIMITS <input type="checkbox"/> OTH- ER <input type="checkbox"/><br>EL EACH ACCIDENT \$<br>EL DISEASE-POLICY LIMIT \$<br>EL DISEASE-EACH EMPLOYEE \$   |  |
|        | OTHER   |  |                                  |                                   |   |  |

**Permit SUFCO Mine C041002**  
**Blasting and use of explosives is not excluded under the policy.**

Utah Dept. Of Natural Resources  
Division of Oil, Gas and Mining  
1594 W. North Temple  
Suite 1210  
Salt Lake City, UT 84114-5801

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF,  
THE INSURER AFFORDING COVERAGE WILL SEND BY REGISTERED MAIL \_\_\_\_\_45 DAYS WRITTEN NOTICE TO THE  
CERTIFICATE HOLDER NAMED HEREIN. \_\_\_\_\_  
\_\_\_\_\_

BY: Alfred A. Peterfeso

MM1(3/02)

VALID AS OF: 07/27/06

## LEGAL NOTICE

Canyon Fuel Company LLC, 225 North 5<sup>th</sup> Street, 9<sup>th</sup> Floor, Grand Junction, CO 81501 has filed an application for a coal mining permit renewal under the laws of the State of Utah and the U.S. Office of Surface Mining.

Approval of this application will allow coal mining operations at the SUFCO Mine to continue within the leasehold interest and fee lands owned by Canyon Fuel Company LLC. The lands on which mining is to continue are located in Sevier and Emery County and include parts of the Fishlake National Forest and Manti-LaSal National Forest. The mine portals are located 30 miles east of Salina, Utah, located within Section 12, NW1/4, Township 22 S., Range 4 E. The approximately 26,767.14 acre leasehold involves all or part of the following coal leases and fee land which have been assigned or deeded to Canyon Fuel Company LLC.

Federal Coal Lease U-28297 - (2,631.98 acres) - Approved January 1979

T. 21 S., R. 5 E., SLM, Utah

Sec. 32, lots 1-4, N1/2S1/2

Sec. 33, lot 1, NW1/4SW1/4

T. 22 S., R. 5 E., SLM, Utah

Sec. 4, lot 4, SW1/4NW1/4, W1/2SW1/4

Sec. 5, all;

Sec. 7, S1/2NE1/4, E1/2SW1/4, SE1/4;

Sec. 8, all;

Sec. 17, NE1/4, N1/2NW1/4

Sec. 18, NE1/4, E1/2NW1/4

Federal Coal Lease U-062453 - (480 acres) - Approved March 1962

T. 21 S., R. 5 E., SLM, Utah

Sec. 28, SW1/4SW1/4

Sec. 29, SE1/4SE1/4

Sec. 32, N1/2

Sec. 33, W1/2NW1/4

Federal Coal Lease U-0149084 - (240 acres) - Approved June 1966

T. 22 S., R. 4 E., SLM, Utah

Sec. 12, NE1/4 and N1/2SE1/4

Federal Coal Lease SL-062583 - (2,202.77 acres) - Approved September 1941

Modified January 1973

T. 21 S., R. 4 E., SLM, Utah

Sec. 36, S1/2

T. 21 S., R. 5 E., SLM, Utah

Sec. 31, all;

T. 22 S., R. 4 E., SLM, Utah

Sec. 1, lots 1 to 4 incl. S1/2N1/2, S1/2  
Sec. 12, NW1/4  
T. 22 S., R. 5 E., SLM, Utah  
Sec. 6, all;  
Sec. 7, N1/2NE1/4, E1/2NW1/4

Federal Coal Lease U-47080 - (1,158.05 acres) - Approved October 1981

T. 21 S., R. 4 E., SLM, Utah  
Sec. 25, all;  
Sec. 36, N1/2  
T. 21 S., R. 5 E., SLM, Utah  
Sec. 30, lots 2-4, W1/2SE1/4.

Federal Coal Lease U-63214 - (10,055.46 acres) - Approved July 1989  
Modified June 1999

T. 21 S., R. 4 E., SLM, Utah  
Sec. 12, E1/2SE1/4  
Sec. 13, E1/2NE1/4, S1/2  
Sec. 14, E1/2SW1/4, SE1/4  
Sec. 23, E1/2, E1/2W1/2  
Sec. 24, all.  
T. 21 S., R. 5 E., SLM, Utah  
Sec. 10, SE1/4NW1/4, E1/2SW1/4, E1/2E1/2SW1/4SW1/4,  
E1/2E1/2NW1/4SW1/4, E1/2E1/2SW1/4NW1/4  
Sec. 15, W1/2  
Secs. 16-21, all;  
Sec. 22, W1/2  
Sec. 26, W1/2NW1/4SW1/4, SW1/4SW1/4  
Sec. 27, all;  
Sec. 28, N1/2, N1/2SW1/4, SE1/4SW1/4, SE1/4  
Sec. 29, E1/2NE1/4, NE1/4SE1/4  
Sec. 30, lot 1, N1/2NE1/4  
Sec. 33, lots 2-4, NE1/4, E1/2NW1/4, NE1/4SW1/4, N1/2SE1/4  
Sec. 34, all;  
Sec. 35, lots 1, 2, W1/2NW1/4, N1/2SW1/4.  
T. 22 S., R. 5 E., SLB&M, Utah  
Sec. 3, lots 1-4, S1/2N1/2, NE1/4SW1/4, S1/2SW1/4, N1/2SE1/4,  
SW1/4SE1/4  
Sec. 4, lots 1, 2, S1/2NE1/4, SE1/4SE1/4  
Sec. 9, NE1/4NE1/4  
Sec. 10, W1/2NE1/4, NW1/4, N1/2SW1/4.

Federal Coal Lease UTU-76195 - (7,171.66 acres) - Approved October 1999

T. 20 S., R. 5 E., SLM

Sec. 35, S1/2NE1/4, SE1/4NW1/4, NE1/4SW1/4, S1/2SW1/4, SE1/4

Sec. 36, W1/2SW1/4, SE1/4SW1/4

T. 21 S., R. 5 E., SLM

Sec. 1, lots 3-4, S1/2SW1/4, SW1/4 SE1/4

Sec. 2, lots 1-4, S1/2S1/2

Sec. 10, E1/2

Sec. 11-14 all

Sec. 15, E1/2

Sec. 22, E1/2

Sec. 23-24, all

Sec. 25, N1/2, N1/2S1/2

Sec. 26, N1/2, NE1/4SW1/4, E1/2NW1/4SW1/4, SE1/4

T. 21 S., R. 6 E., SLM

Sec. 19, lots 3-4, E1/2SW1/4

Sec. 30, lots 1-3, E1/2NW1/4, NE1/4SW1/4

State of Utah Coal Lease ML 49443-OBA - (2,134.19 acres) - Approved October 2004

T. 21 S., R. 5 E., SLB&M

Sec. 4: Lots 1, 2, 3, 4, S1/2S1/2

Sec. 5: Lots 1, 2, 3, 4, S1/2S1/2

Sec. 7: Lots 2, 3, 4, S1/2NE1/4, SE1/4

Sec. 8: All

Sec. 9: All

Fee lands owned by Canyon Fuel Company, LLC

T. 21 S., R. 5 E., SLB&M, Utah

Sec. 29, SW1/4, NW1/4, W1/2NE1/4, W1/2SE1/4

Sec. 30, S1/2NE1/4, E1/2SE1/4

containing 640.00 acres

T. 22 S., R. 4 E., SLB&M, Utah

Sec. 18, NW1/4NE1/4

containing 40 acres

After filing, copies of the permit application will be available for inspection at the following locations: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah; and Sevier County Courthouse, Richfield, Utah.

Written comments or requests for an informal conference regarding this application may be addressed within 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Box 145801, Salt Lake City, Utah 84114-5801.